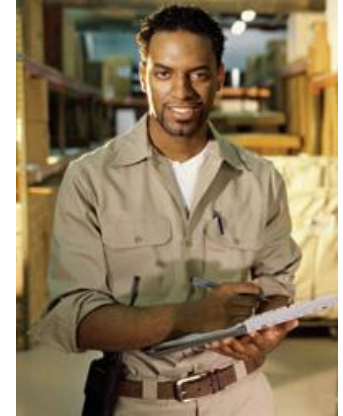


# U.S. Small Business Administration



## HUBZone Program



Office of Government Contracting & Business Development

# **Office of Management & Technical Assistance**

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# What We'll Be Talking About

- Events leading to creation of HUBZone
- Purpose of the HUBZone Program
- Qualifications to be certified a HUBZone concern
- Current portfolio
- Contract Types (benefits)
- HUBZone in [specify geographical location]
- Question & Answer Session

# Quick History

- In 1996, U.S. Senator Christopher ‘Kit’ Bond, then Chairman of the Small Business Committee, crafts legislation to link preferences for award of Federal contracts to small businesses located in economically dormant and underserved areas, which he called HUBZones.
- Feels JOBS, not more job training, is what’s needed to promote long-term economic viability.

## HUBZone Program Becomes Law, Opens Doors

- In 1997, Congress passed and the President signed into law the “Small Business Reauthorization Act of 1997,” which contained HUBZone provision.
- In 1998, the U.S. Small Business Administration moves final rules to create HUBZone Program.
- In 1999, program certifies on March 22<sup>nd</sup> the first HUBZone small business concern.

# Program Overview

- *Community-based*
- *HUBZone Program =  
E<sup>3</sup>*
  - *Employment*
  - *Empowerment*
  - *Enterprise*

# *Program Purpose*

- *Provide Federal contracting assistance to qualified small business concerns located in historically underutilized business zones (HUBZones) to:*
  - *Increase employment opportunities*
  - *Stimulate capital investment in those areas*
  - *Empower communities through economic leveraging and the “multiplier effect.”*

# *Program Design*

- *From the outset, designed as a virtual program always available at:*

[www.sba.gov/hubzone](http://www.sba.gov/hubzone)

- *Application for Certification*
- *Recertification*
- *Program Examinations*



# ***HUBZone Eligibility Requirements***

- ***Size:***
  - ***Small, by relevant SBA standards.***
- ***Ownership and Control:***
  - ***At least 51% by U.S. citizen(s),  
Community Development  
Corporation, Agriculture  
Cooperative, Alaska Native  
Corporation, or Indian tribe.***

## ***HUBZone Eligibility Requirements, cont'd...***

- ***Location:***
  - ***“Principal Office” must be located in a HUBZone (may differ for tribally owned concerns).***
- ***Employment:***
  - ***At least 35% of employees must reside in a HUBZone (may differ for tribally owned concerns).***

# *HUBZone Qualified Areas*

- *Metropolitan Area Census Tracts : 9,920 areas*
  - *“Qualified Census Tract” that meets test for Low Income Housing Tax Credit. (HUD) (Changes with decennial census.)*
- *Non-metropolitan Counties: 1,294 counties*
  - *Median household income is less than 80% of the non-metropolitan state level (Census) (Changes with decennial census.)*
  - *Unemployment rate that is at least 140% of the lower of the state-wide or U.S. average (BLS) (Changes annually.)*

# *HUBZone Qualified Areas, cont'd...*

- *Federally recognized Indian Reservations: 1,254*
  - *Locations include land meeting definition of Indian Country (BIA and IRS) (Change is periodic)*
- *Difficult Development Areas: 112 locations*
  - *“Difficult Development Area” external to continental U.S. that meets test for Low Income Housing Tax Credit. (HUD) (Changes with decennial census.)*
- *Former military base closed by BRAC: 107*
  - *Former military bases closed as a result of Base Realignment and Closure Act (BRAC). Locations remain HUBZone for five years after date of closing or, if already closed by Dec. 8, 2004, five years from that date. (Defense) (Changes periodically)*

# ***HUBZone Portfolio***

- ***Total Portfolio: 14,697***
- ***HUBZone firms' total employment: 230,868 employees***
- ***HUBZone residents employed by HUBZone firms: 158,814 (65%)***

# ***HUBZone Program Benefits***

- ***Set-aside awards***
- ***Sole source awards***
- ***Awards through full and open competition after application of 10% price evaluation preference (PEP)***
- ***Subcontracting Opportunities***

## *Federal Government-wide Prime HUBZone Contracting Awards by Fiscal Year*

• <i>FY 1999</i>	<i>Goal – 1%</i>	<i>Actual – not available</i>
• <i>FY 2000</i>	<i>Goal – 1.5%</i>	<i>Actual – \$663.3M (.33%)</i>
• <i>FY 2001</i>	<i>Goal – 2.0%</i>	<i>Actual – \$1.7 B (.72%)</i>
• <i>FY 2002</i>	<i>Goal – 2.5%</i>	<i>Actual – \$1.7 B (.71%)</i>
• <i>FY 2003</i>	<i>Goal – 3.0%</i>	<i>Actual – \$3.4 B (1.23%)</i>
• <i>FY 2004</i>	<i>Goal – 3.0%</i>	<i>Actual – \$4.8 B (1.59%)</i>
• <i>FY 2005</i>	<i>Goal – 3.0%</i>	<i>Actual – \$6.2B (1.94%)</i>
• <i>FY 2006</i>	<i>Goal – 3.0%</i>	<i>Actual – \$7.2B (2.1%)</i>
• <i>FY 2007</i>	<i>Goal – 3.0%</i>	<i>Actual – \$8.6B (2.3%) **</i>

• *\*\* Uncertified*

**Thank You**

***Any Questions  
not already  
covered  
by today's  
material?***